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COMMUNITY DEVELOPMENT COMMISSION

May 10, 2006

To: Each Supervisor

From: Carlos Jackson, Executive Director



**SUBJECT: COMMISSION/HOUSING AUTHORITY HEADQUARTERS
BUILDING PURCHASE OPPORTUNITY**

An opportunity has arisen for the Community Development Commission/Housing Authority to purchase the existing leased Headquarters Building consisting of 85,000 square feet of administrative office space located at 2 Coral Circle, Monterey Park. The current ownership, Miller Brothers Coral Circle, LLC, has expressed an interest in divesting this asset from their investment portfolio. The existing lease expires in March 2010, and any negotiated extension of the lease would be at the then existing market rental rate.

The Commission/Housing Authority previously explored the business and operational benefits of long-term occupancy of an Agency-owned headquarters facility relative to continued occupancy of a leased facility. These benefits remain relevant and include long-term fixed occupancy costs and an overall more efficient and predictable cost structure.

The Commission/Housing Authority intends to explore this purchase opportunity with the existing building ownership and various acquisition financing alternatives in consultation with existing County expertise. The Commission/Housing Authority will report back to the Board these initial purchase and finance findings over the next several months.

CJ:MP

c: Each Deputy
CAO